



## **Alabama Department of Economic And Community Affairs**

GUY HUNT  
GOVERNOR

November 19, 1991

DAVID P. RUMBARGER  
DIRECTOR

### **ALABAMA CDBG INTERGOVERNMENTAL POLICY LETTER NUMBER 5 (Revision 3)**

TO: Persons Interested in State  
CDBG Program

FROM: Don C. Hines, Ph.D., Chief,  
Planning and Economic Development Division

#### **POLICY ON GRANTEE PROPERTY MANAGEMENT PROCEDURES**

Property procedures for grantees have been developed by the Department of Economic and Community Affairs (hereinafter called the Grantor) to provide uniform procedural guidance for property management. They provide for a uniform system of property management for grantees that are under contract with ADECA for CDBG, Job Training Partnership Act, Energy and other federal programs governed by The Common Rule. Adherence to these procedures will result in a uniform system of the management of property purchased with CDBG funds.

#### **Equipment**

Equipment (file cabinets, typewriters, etc.) means tangible property having a useful life of more than one year and a unit acquisition cost of \$1,500 or more. Any purchase of property by the contractor is dependent upon the provisions of the contract agreement. (Additionally, any equipment purchased requires prior written approval from the State.) The grantee must submit a letter requesting permission to purchase equipment to the CDBG Program Supervisor. The request will be reviewed, an initial determination made and if approved, forwarded to property management personnel. Upon receipt, property management personnel will determine if the equipment is available from ADECA inventory sources and, if available, delivery will be made from that source. If it is determined that a purchase of equipment will be necessary, an approval will be issued.

### **Ownership of CDBG Equipment**

Ownership or title to all equipment purchased by the grantee with CDBG funds shall be vested in the grantee, but only for the duration of the CDBG contract period. Upon close-out of the CDBG project the title will revert to ADECA. ADECA retains the right to retake the property under the following conditions prior to the termination of the contract:

1. The equipment is no longer needed to fulfill the obligations of the CDBG project.
2. The equipment has been used by the grantee for purposes other than those authorized in writing by ADECA.

The grantee has only limited ownership rights of the CDBG property, restricted to the duration of the project and for uses specifically related to the project.

### **Record Keeping and Inventory**

Grantees are required to keep inventory records of equipment purchased with CDBG funds. The records must provide at a minimum, the following information:

1. Property Number (assigned/affixed by Grantee)
2. A description of the property.
3. Manufacturer's serial number and model number (if available).
4. Source of the property including grantor or other agreement number.
5. Acquisition date (or date received if the property was furnished from the Grantor).
6. Unit acquisition cost.
7. Percentage of state agency participation in the cost (as applicable).
8. Location of property.
9. Condition of property.

Grantees are required to physically inventory the above noted CDBG properties, certify the inventory listing and transmit it to their State CDBG Program Supervisor. ADECA Property Management Form 1 is provided for this purpose.

### **Report of Lost, Stolen, Destroyed and Obsolete Equipment**

The grantee will use the Survey Report Form when inventorial equipment is lost, stolen, destroyed or is deemed to be obsolete for any reason.

If equipment is stolen, a copy of a Police Department report must accompany an original and one copy of the Survey Report Form. Likewise, if the equipment is lost due to fire, a copy of a Fire Marshall's report shall accompany one original and one copy of the Survey Report Form. If the equipment is insured, any insurance proceedings shall be credited to the grantee's CDBG program. If the grantee determines that equipment is nonserviceable due to it being obsolete, a Survey Report Form must be completed in detail to describe and justify the grantee's claim.

Upon receipt of a Survey Report Form, the CDBG Program supervisor will make a recommendation based on a review of all pertinent documents, and in the instance of obsolete equipment, arrange to inspect the equipment in question.

A three-person survey team will be appointed by the State CDBG Program Manager to review this recommendation and render a final determination on the property in question. The grantee will be notified on this determination.

**Effective Date:** Reissued November 19, 1991

Contractor/Subgrantee \_\_\_\_\_ Date Submitted \_\_\_\_\_ of \_\_\_\_\_  
 Name and Address \_\_\_\_\_  
 \_\_\_\_\_  
 Telephone Number \_\_\_\_\_

[illegible]

**ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS  
CDBG SECTION**

**Survey Report Form**

**To Be Completed by Grantee**

1. Grantee \_\_\_\_\_
2. Project No. \_\_\_\_\_
3. Contact Person \_\_\_\_\_
4. Telephone No. \_\_\_\_\_

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5. DESCRIPTION	6. UNIT ACQUISITION COST	7. I.D. NO.	8. REASON
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9. Mayor/Chairman \_\_\_\_\_  
(Signature)

Date \_\_\_\_\_